

BASEL III PILLAR 3

Capital Adequacy and Risk

Disclosures as at 30 September 2023



Table of Contents

Table 3 : Capital Adequacy	3
Table 4 : Credit Risk	4
Table 5 : Securitisation Exposures	5
Table 20: Liquidity Coverage Ratio Disclosure	6

AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 September 2023

ABN 15 081 596 009

Table 3 : Capital Adequacy (APS 330: Attachment C)

	30 September 2023	30 June 2023 ¹
	\$m	\$m
Risk Weighted Assets (RWA)		
Subject to Standardised Approach		
Residential Mortgages	8,589	8,577
Sovereign	1	1
Bank	264	393
Corporate	248	256
Other	3	2
Securitisation	5	7
Total Risk Weighted Assets for Credit Risk Exposures	9,110	9,236
Market Risk RWA	9	8
Operational Risk RWA	556	556
Total Risk Weighted Assets	9,675	9,800
Capital Ratios (%)	%	%
Common Equity Tier 1 Ratio	10.4%	10.6%
Tier 1 Capital Ratio	12.7%	12.9%
Total Capital Ratio	17.7%	17.9%

¹ Comparative information has been restated to conform to presentation in the current period.

AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 September 2023

ABN 15 081 596 009

Table 4 : Credit Risk (APS 330: Attachment C)

Table 4 (A)	30 September 2023		30 June 2023 ¹	
	As At \$m	Average \$m	As at \$m	Average \$m
Credit Exposure by Types				
Cash and balances with central bank	341	434	498	316
Loans and advances to banks	617	1,124	920	1,000
Debt securities	3,504	3,536	3,412	3,442
Loans and advances to customers	20,942	21,213	20,878	20,595
Other assets	61	56	50	51
Total Gross Credit Risk	25,465	26,363	25,758	25,404
Non-market related off-balance sheet credit exposures	1,640	1,770	1,744	1,712
Market related off-balance sheet credit exposures	340	340	358	330
Total Exposures	27,445	28,473	27,860	27,446
Credit Exposure by Portfolios				
Residential Mortgages	22,403	22,793	22,424	22,110
Sovereign	3,792	3,912	3,846	3,690
Bank	964	1,473	1,286	1,338
Corporate	284	293	302	307
Other	2	2	2	1
Total Exposures	27,445	28,473	27,860	27,446
Table 4 (B)				
By Portfolios	30 September 2023		30 June 2023	
	As At \$m		As At \$m	
Non-performing	356		316	
Residential Mortgages	215		179	
Corporate/ Specialised Lending	141		137	
>=90 days past-due	146		136	
Residential Mortgages	116		108	
Corporate/ Specialised Lending	30		28	
Specific Provisions	66		64	
Residential Mortgages	10		8	
Corporate/ Specialised Lending	56		56	
Charges for specific provisions during the period	(4)		(6)	
Residential Mortgages	4		3	
Corporate/ Specialised Lending	(8)		(9)	
Write-offs during the period	-		-	
Residential Mortgages	-		-	
Corporate/ Specialised Lending	-		-	
Table 4 (C)				
Provisions held against performing exposures that represent a purely forward looking amount for future losses that are presently unidentified	31		32	

¹ Comparative information has been restated to conform to presentation in the current period.

AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 September 2023

ABN 15 081 596 009

Table 5 : Securitisation exposures (APS 330: Attachment C)

	30 September 2023		30 June 2023	
	Total amount of exposure securitised \$m	Recognised gain or loss on sale \$m	Total amount of exposure securitised \$m	Recognised gain or loss on sale \$m
Table 5 (A) - Total securitisation activity				
Residential Mortgages	724	-	-	-
Total securitisation activity for the reporting period	724	-	-	-
Table 5 (B) - Total securitisation exposures retained or purchased				
Securitisation Facility Type				
On-balance sheet securitisation exposures				
Other	21		21	
Total securitisation exposures	21		21	
Off-balance sheet securitisation exposures				
Funding facilities	21		19	
Liquidity facilities	-		-	
Total securitisation exposures	21		19	

AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 September 2023

ABN 15 081 596 009

Table 20 : Liquidity Coverage Ratio disclosure (APS 330: Attachment F)

In accordance with APS 210 Liquidity, AMP Bank has been required to maintain a minimum Liquidity Coverage Ratio (LCR) of 100%. The LCR requires banks to hold sufficient High Quality Liquid Assets (HQLA) to meet expected net cash outflows under an APRA-prescribed 30 calendar day stress scenario.

AMP Bank manages its daily LCR requirement to board and management level buffers consistent with the Bank's risk appetite. The LCR changes on a daily basis in the ordinary course of business due to changes in the Bank's expected net cash outflows and its composition of liquid assets.

Cash inflows and outflows are calculated in accordance with APS 210. APRA-prescribed run-off factors are applied to AMP Bank's liabilities based on the nature, stability and source of the funding. AMP Bank maintains a diversified deposit and funding mix without undue concentration.

AMP Bank holds a diversified portfolio of liquid assets consisting of HQLA, cash and repo-eligible securities with the Reserve Bank of Australia (RBA). HQLA includes Commonwealth Government Securities, Australian Semi-Government Securities and deposits with the RBA.

AMP Bank's average Level 2 LCR over the September 2023 quarter was 134% which is 1% higher than the June 2023 quarter. The Bank's average HQLA balance increased, funded by growth in retail deposits. Average cash outflows increased due to maturing borrowings under the Term Funding Facility and growth in loan commitments. Average cash inflows increased related to warehouse drawdowns and term securitisation.

	30 September 2023		30 June 2023	
	Total unweighted value (average) \$m	Total weighted value (average) \$m	Total unweighted value (average) \$m	Total weighted value (average) \$m
Liquid assets, of which:				
1 High-quality liquid assets (HQLA)		3,840		3,594
2 Alternate liquid assets (ALA)		-		-
3 Reserve Bank of New Zealand (RNBZ) securities		-		-
Cash outflows				
4 Retail deposits and deposits from small business customers, of which:	13,282	1,975	12,992	1,918
5 stable deposits	2,728	136	2,701	135
6 less stable deposits	10,554	1,839	10,291	1,783
7 Unsecured wholesale funding, of which;	1,198	669	1,176	679
8 operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9 non-operational deposits (all counterparties)	1,072	543	1,027	530
10 unsecured debt	126	126	149	149
11 Secured wholesale funding		187		-
12 Additional requirements, of which:	3,620	530	3,507	506
13 outflows related to derivatives exposures and other collateral requirements	205	205	205	205
14 outflows related to loss of funding on debt products	104	104	101	101
15 credit and liquidity facilities	3,312	221	3,201	200
16 Other contractual funding obligations	-	-	-	-
17 Other contingent funding obligations	1,591	151	1,211	151
18 Total cash outflows		3,512		3,254
Cash inflows				
19 Secured lending	-	-	-	-
20 Inflows from fully performing exposures	243	123	232	118
21 Other cash inflows	510	519	425	425
22 Total cash inflows	753	642	657	543
		Total Adjusted Value \$m		Total Adjusted Value \$m
23 Total liquid assets		3,840		3,594
24 Total net cash outflows		2,870		2,711
25 Liquidity coverage ratio (%)		134%		133%
Number of data points used (Business Days)		65		61